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TAGS: [PREL](#) [PGOV](#) [PBTS](#) [EAID](#) [SOCI](#) [AID](#) [GG](#)
SUBJECT: GEORGIA: INTERNATIONAL ASSISTANCE TO ABKHAZIA AND
SOUTH OSSETIA

Classified By: AMBASSADOR JOHN F. TEFFT FOR REASONS 1.4 (b) AND (d).

¶1. (C) Summary and comment. Immediately following the August 2008 war between Russia and Georgia, our small USG aid programs in Abkhazia and South Ossetia were closed, with the exception of HALO Trust's demining program in Abkhazia. Other international donors, including the European Commission (EC), temporarily halted their programs, but resumed operations in Abkhazia after the security situation stabilized. Due to continuing access obstacles and the precarious security situation in South Ossetia, ICRC remains the only international organization working there. Numerous international organizations, however, continue to operate in Abkhazia and report that, even after the departure of UNOMIG, all remains "business as usual." Despite the de facto Abkhaz authorities attempts to politicize international assistance, they need and want this aid, as well as the links to the international community that come with it. After some blustering over semantics, the Abkhaz have eventually backed down and accepted western aid directed for Georgia which does not specify an independent Abkhazia. The U.S. can look at programs operated by other international donors as possible models for any potential future U.S. assistance. We will provide our thoughts septel in the coming weeks as to how the USG might want to approach assistance programs in the occupied territories. End summary and comment.

NO ACCESS TO SOUTH OSSETIA MEANS NO MONEY

¶2. (C) The South Ossetian de facto authorities refuse to allow international aid organizations entry into the region from the south through undisputed Georgia, effectively closing the region to international assistance. Only ICRC continues to operate in South Ossetia by quietly managing their program through their office in Russia. The unstable security situation in South Ossetia further deters aid organizations from resuming their activities. The EC is currently considering funding several confidence building programs with South Ossetian communities with third country dialogue programs -- which would essentially avoid the access hurdles. The EC is also planning to provide funding for confidence building activities via a local implementer to a school director in Alkhalgori, who is resident there and able to freely travel between the regions.

INTERNATIONAL PRESENCE IN ABKHAZIA

¶3. (C) According to UNHCR, their presence in Abkhazia includes a total of ten staff persons in Gali, four of whom are internationals; and two local staff in Sukhumi. UNDP has six local staff in Sukhumi, and UNICEF and World Food Program (WFP) each have one local staff member in Sukhumi. Based on anticipated 2009 funding from the EC, the UN development organizations plan to increase their presence in Sukhumi to a total of 15 persons, three of whom would be international staff members. Other international NGOs present in both Gali and Sukhumi include Action Contre la Faim (ACF), Premiere-Urgence (PU), World Vision International (WVI),

Norwegian Refugee Council (NRC) and Danish Refugee Council (DRC). In Sukhumi, these organizations have a total of 51 local and international staff; no numbers are available for Gali. The HALO Trust, funded by the State Department and other international donors, has approximately 160 local staff, including both ethnic Georgians in Gali and ethnic Abkhaz in Sukhumi. Expats with HALO Trust travel into Abkhaz in Sukhumi. Expats with HALO Trust travel into Abkhazia several times a year and in spite of the Abkhaz de facto authorities' allergy to Tbilisi-based diplomats, a mission poloff was recently permitted to visit Abkhazia as part of a HALO Trust delegation.

EC FUNDING IN ABKHAZIA

14. (U) The EC is currently providing over seven million Euros of funding for four types of projects in Abkhazia: income-generation, school attendance and dialogue, economic rehabilitation, and humanitarian aid and recovery. Income-generation projects include the development of agro-services and vocational and business skills, implemented by WVI and PU. The DRC is implementing a project aimed at increasing attendance in primary schools. The EC is funding a comprehensive set of economic rehabilitation programs in the conflict zone to improve living conditions for populations on both sides of the administrative boundary line, including improvement in basic services and public health, as well as improvements to the Enguri power plant. DRC and PU are both implementing shelter rehabilitation, food security and income generation assistance.

15. (C) The EC is providing 15 million Euros for projects under their instrument for stability, a quick response

TBILISI 00001517 002 OF 002

mechanism not subject to recipient country approval, which serves as a bridge between post-conflict and humanitarian aid. Current projects under this umbrella deal with housing issues and civil society support on IDP issues. The EC is finalizing the second phase of the instrument for stability, a total of 14 million Euros, which is aimed at mitigating consequences of the August 2008 conflict. These activities will include confidence building and people-to-people contacts, civil society capacity building, and socio-housing support. (Note: The EC instrument for stability is designed to be an immediate response fund. It is an internal EC regulation which does not require host government approval; this funding could prove problematic in the future if the Georgians decided to raise concerns about how their spending may conflict with the Law on Occupied Territories. End Note)

OTHER INTERNATIONAL FUNDING

16. (C) Some individual EU countries are also funding projects in Abkhazia. The British Embassy is supporting several small peace and conflict resolution projects through International Alert and Conciliation Resources. They are also hoping to fund some projects directly with local partners in Abkhazia in the future. The Swiss Embassy has a soup kitchen and film festival project implemented via local NGOs.

BUSINESS AS USUAL IN ABKHAZIA

17. (C) The international organizations working in Abkhazia report that they have functional relationships with both the Georgian and de facto authorities. However, de facto authorities and local implementers do politicize the EC's efforts, despite the EC's attempts to keep the dialogue focused on the actual assistance. For example, the EC reported that local NGOs have threatened not to work with the EC over phrases in EC documentation such as "...in Georgia, including in South Ossetia and Abkhazia." Eventually the local NGOs give in rather than give up the money. The international organizations do not generally experience access issues into or within Abkhazia. However, UNHCR notes that while international staff and local staff based in

Abkhazia can travel freely between undisputed Georgia and Abkhazia, local staff based in Zugdidi are prevented from doing so by Abkhaz de facto authorities. The EC and UNHCR report that despite the Government of Georgia's encouraging rhetoric regarding assistance to the regions, the GOG has not gone out of its way to help them. Also, the implementing rules of the Law on Occupied Territories, about which the EC has serious concerns, has still not been finalized. The EC anticipates the government will again raise the issue of the implementing rules in September.

18. (C) One issue that the Government of Georgia may raise is the payment of salaries and reimbursement of expenses to local implementers in Abkhazia. Currently, the EC provides these funds via direct bank transfer from an EC country into an Abkhaz bank, as do other international organizations, including the HALO Trust. The Law on Occupied Territories raises questions about the legality of such actions. However, there is currently no viable alternative, and if the Georgians want these programs to continue, as they say they do, they may have to allow these types of practices. So far the government has not designated any EU practices a violation of the Law on Occupied Territories, but some EU representative fear the government could undertake more vigorous oversight of the assistance this fall, when the EU expects to reopen the conversation about the still unfinalized decree implementing the Law.

TEFFT